

ORIGINAL

FILED
DISTRICT COURT OF GUAM

AUG 15 2007

JEANNE G. QUINATA
Clerk of Court

tenorio.Indictmt

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IN THE UNITED STATES DISTRICT COURT
FOR THE TERRITORY OF GUAM

UNITED STATES OF AMERICA,
Plaintiff.

vs.

JUAN C. TENORIO and
CHARLENE F. TENORIO,
Defendants.

CRIMINAL CASE NO. **07-00078**

INDICTMENT

BANKRUPTCY FRAUD
[18 U.S.C. §§152(1) and 2]
(Counts 1-4)

THE GRAND JURY CHARGES:

Introduction

At all times material to this Indictment:

1. A primary purpose of the bankruptcy system was to provide a means for fairly apportioning the property of a debtor who, for whatever reason, had become unable to pay his creditors in a timely fashion.

2. A bankruptcy case began with the filing of a "petition." Creditors were those persons or companies that had a claim or a right to payment from the debtor that arose at the time of or before the bankruptcy court issued its order for relief concerning the debtor.

1 3. Bankruptcy cases fell into different categories, called Chapters. A Chapter 7 case was
2 also known as liquidation. In a Chapter 7 case, a trustee was appointed to collect the debtor's
3 property, convert it to cash, and distribute the cash to creditors. A Chapter 11 case involved the
4 restructuring of debt owed by the petitioning company with a view to its repayment.

5 4. When a bankruptcy petition was filed, it created what was known as an estate. The
6 estate of a debtor meant all rights, title, share, or interests in property owned by the debtor at the
7 time a bankruptcy petition was filed. In a Chapter 7 case, the trustee controlled the property of
8 the estate. In a Chapter 11 case the debtor was allowed to maintain custody and control of the
9 property of the estate.

10 5. In a Chapter 7 the debtor was also required to cooperate with the trustee as necessary
11 to enable the trustee to perform his duties. Such cooperation included a duty of good faith
12 throughout the bankruptcy action. In both a Chapter 7 and Chapter 11 case, the debtor was
13 required to truthfully and fully account for his estate so that creditors could benefit either through
14 liquidation of assets or or restructuring of debt. The debtor was also required to disclose the
15 existence of assets even if their status in bankruptcy was uncertain. It was the Bankruptcy Court
16 that made the final determination as to whether property was an asset of the estate. The debtor
17 could not preempt the court's determination by failing to report or concealing an asset.

18 6. The principal benefit to a Chapter 7 debtor was the receipt of a Discharge which
19 prohibits unsecured creditors from taking further action against the debtor for debts incurred
20 before the bankruptcy petition was filed.

21 7. JUAN C. TENORIO was an engineer practicing on Guam and the CNMI and a
22 director and the principal shareholder of Juan C. Tenorio, & Associates, Inc.

23 8. CHARLENE F. TENORIO was the wife of JUAN C. TENORIO and a shareholder
24 and director of Juan C. Tenorio & Associates, Inc.

25 9. RITA TENORIO was the mother of JUAN C. TENORIO.

26 10. On or about October 25, 1983, defendant JUAN C. TENORIO incorporated Juan C.
27 Tenorio & Associates, Inc. on Guam whose business was providing engineering and architectural
28 services.

11. On or about August 25, 1999, Juan C. Tenorio & Associates, Inc. filed a petition under Chapter 11 of the Bankruptcy Code, Title 11, United States Code, Section 101 et seq., in the United States Bankruptcy Court in the District of Guam. The matter was captioned In Re Juan C. Tenorio & Associates, Inc, Case No. 99-00084. Subsequently on or about December 6, 1999 the case was converted to a Chapter 7 liquidation.

12. On or about December 8, 1999, the Bankruptcy Court appointed Robert J. Steffy, Sr. as Trustee of the Estate of Juan C. Tenorio & Associates, Inc. in the bankruptcy proceeding, Case No. 99-00084.

13. On or about March 20, 2002, JUAN C. TENORIO and CHARLENE F. TENORIO filed a petition under Chapter 7 of the Bankruptcy Code, Title 11, United States Code, Section 101 et seq., in the United States Bankruptcy Court in the District of Guam. The matter was captioned In Re JUAN CRUZ TENORIO and CHARLENE FRANCES TENORIO, Case Number 02-00096.

14. On or about March 22, 2002, the Bankruptcy Court appointed Robert J. Steffy, Sr. as Trustee of the estate of JUAN C. TENORIO and CHARLENE F. TENORIO in the Chapter 7 bankruptcy proceeding, Case No. 02-00096.

COUNT I - BANKRUPTCY FRAUD

15. Paragraphs 1 - 14 of the Introduction to this Indictment are hereby realleged and incorporated as if fully set forth herein.

16. From on or about August 25, 1999 to at least August 23, 2002 in the District of Guam, JUAN C. TENORIO did knowingly and fraudulently conceal from the trustee charged with the control and custody of property and creditors of the debtor in a bankruptcy proceeding under Title 11, United States Code, entitled In Re Juan C. Tenorio & Associates, Inc., Case Number 99-00084, in the United States Bankruptcy Court in the District of Guam, property belonging to the estate of the debtors, Juan C. Tenorio & Associates, Inc. to-wit: accounts receivable of approximately \$199,817.05 from a contract by and between Juan C. Tenorio & Associates, Inc. and Hong Kong Entertainment (Overseas) Investments Limited regarding

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1 architectural, engineering and landscaping services provided by Juan C. Tenorio & Associates,
2 Inc. for the Tinian Dynasty Hotel and Casino, formerly known as Tinian Casino Palace Hotel.

3 All in violation of Title 18, United States Code, Sections 152(1) and 2.

4
5 **COUNT II - BANKRUPTCY FRAUD**

6 17. Paragraphs 1 - 14 of the Introduction to this Indictment are hereby realleged and
7 incorporated as if fully set forth herein.

8 18. From on or about March 20, 2002 to at least April 15, 2004 in the District of
9 Guam, JUAN C. TENORIO and CHARLENE F. TENORIO, aided and abetted each by the other,
10 did knowingly and fraudulently conceal from the trustee charged with the control and custody of
11 property and creditors of the debtor in a bankruptcy proceeding under Title 11, United States
12 Code, entitled In Re JUAN CRUZ TENORIO AND CHARLENE FRANCES TENORIO, Case
13 Number 02-00096, in the United States Bankruptcy Court in the District of Guam, property
14 belonging to the estate of the debtors, JUAN C. TENORIO and FRANCES C. TENORIO, to-wit:
15 accounts receivable of approximately \$74,817.05 from a contract by and between Juan C.
16 Tenorio & Associates, Inc. and Hong Kong Entertainment (Overseas) Investments Limited
17 regarding architectural, engineering and landscaping services provided by Juan C. Tenorio &
18 Associates, Inc. for the Tinian Dynasty Hotel and Casino, formerly known as Tinian Casino
19 Palace Hotel.

20 All in violation of Title 18, United States Code, Sections 152(1) and 2.

21 **COUNT III - BANKRUPTCY FRAUD**

22 19. Paragraphs 1 - 14 of the Introduction to this Indictment are hereby realleged and
23 incorporated as if fully set forth herein.

24 20. From on or about March 20, 2002 to at least April 15, 2004 in the District of Guam,
25 JUAN C. TENORIO and CHARLENE F. TENORIO, aided and abetted each by the other, did
26 knowingly and fraudulently conceal from the trustee charged with the control and custody of
27 property and creditors of the debtor in a bankruptcy proceeding under Title 11, United States
28 Code, entitled In Re JUAN CRUZ TENORIO and CHARLENE FRANCES TENORIO, Case

1 Number 02-00096, in the United States Bankruptcy Court in the District of Guam, property
2 belonging to the estate of the debtors, JUAN C. TENORIO and CHARLENE F. TENORIO, that
3 is, interests in Knights of Columbus insurance policies, to-wit:

<u>Policy No.</u>	<u>Insured</u>	<u>Owner</u>
H64940	Juan Tenorio	Juan Tenorio
P39817	Juan Tenorio	Juan Tenorio
J57033	Charlene Tenorio	Charlene Tenorio

7 All in violation of Title 18, United States Code, Sections 152(1) and 2.

8
9 **COUNT IV - BANKRUPTCY FRAUD**

10 21. Paragraphs 1 -14 of the Introduction to this Indictment are hereby realleged and
11 incorporated as if fully set forth herein.

12 22. From on or about March 20, 2002 to at least April 15, 2004 in the District of Guam,
13 JUAN C. TENORIO and CHARLENE F. TENORIO, aided and abetted each by the other, did
14 knowingly and fraudulently conceal from the trustee charged with the control and custody of
15 property and creditors of the debtor in a bankruptcy proceeding under Title 11, United States
16 Code, entitled In Re JUAN CRUZ TENORIO and CHARLENE FRANCES. TENORIO, Case
17 Number 02-00096, in the United States Bankruptcy Court in the District of Guam, property
18 belonging to the estate of the debtors, JUAN C. TENORIO and CHARLENE F. TENORIO, to-
19 wit:

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1 LOT NUMBER 209-R01-3, TRACT NUMBER 22197, ROTA, MP, containing
2 an area of approximately 2,000 square meters, under which the basic lot is shown
3 as Lot Number 209 R 01, located in Gaganin Hulo, Rota Municipality,
4 Commonwealth of the Northern Mariana Islands, on the Drawing/Cadastral Plat
5 Number 209 R 00, the original of which was registered with the Commonwealth
6 Recorder's Office under File Number 89-3204, on September 25, 1989.

7 All in violation of Title 18, United States Code, Sections 152(1) and 2.

8 Dated this 15 day of August, 2007.


9 A TRUE BILL.

10 [REDACTED]

Foreperson

11 LEONARDO M. RAPADAS
12 United States Attorney
13 Districts of Guam and NMI

14 By:

15 
16 JEFFREY J. STRAND
17 First Assistant U.S. Attorney

Place of Offense:

City Hagåtña

Related Case Information:

07-00078

Country/Parish N/A

Superseding Indictment _____ Docket Number _____

Same Defendant _____ New Defendant X

Search Warrant Case Number _____

R 20/ R 40 from District of _____

Defendant Information:

Juvenile: Yes _____ No X Matter to be sealed: _____ Yes X NoDefendant Name Juan C. Tenorio

Allisas Name _____

Address _____

RECEIVED
AUG 15 2007DISTRICT COURT OF GUAM
HAGATNA, GUAMBirth date XX/XX/1937 SS# XXX-XX-1472 Sex M Race PI Nationality US

U.S. Attorney Information:

AUSA Jeffrey J. StrandInterpreter: X No _____ YesList language and/or dialect: N/A

Location Status:

Arrest Date _____

☐ Already in Federal Custody as of _____ in _____☐ Already in State Custody☐ On Pretrial Release

U.S.C. Citations

Total # of Counts: 3 _____ Petty _____ Misdemeanor X Felony

	<u>Index Key/Code</u>	<u>Description of Offense Charged</u>	<u>Count(s)</u>
Set 1	<u>18 U.S.C. §§ 152(1) and (2)</u>	<u>BANKRUPTCY FRAUD</u>	<u>1-4</u>
Set 2	_____	_____	_____
Set 3	_____	_____	_____
Set 4	_____	_____	_____

(Continued on reverse)

Date: 8/15/07 Signature of AUSA: Jeffrey J. Strand

Place of Offense:

City Hagåtña

Related Case Information:

Country/Parish N/ASuperseding Indictment _____ Docket Number 07-00078Same Defendant _____ New Defendant X

Search Warrant Case Number _____

R 20/ R 40 from District of _____

Defendant Information:

Juvenile: Yes _____ No X Matter to be sealed: _____ Yes _____ X _____ NoDefendant Name Charlene F. Tenorio

Allisas Name _____

Address _____

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AUG 15 2007
DISTRICT COURT OF GUAM
HAGATNA, GUAM

Birth date XX/XX/1939 SS# XXX-XX-7740 Sex F Race PI Nationality US

U.S. Attorney Information:

AUSA Jeffrey J. StrandInterpreter: X No _____ Yes _____List language and/or dialect: N/A

Location Status:

Arrest Date _____

☐ Already in Federal Custody as of _____ in _____☐ Already in State Custody☐ On Pretrial Release

U.S.C. Citations

Total # of Counts: 2 _____ Petty _____ Misdemeanor X Felony

	<u>Index Key/Code</u>	<u>Description of Offense Charged</u>	<u>Count(s)</u>
Set	<u>1 18 U.S.C. §§ 152(1) and (2)</u>	<u>BANKRUPTCY FRAUD</u>	<u>2-4</u>
Set	<u>2</u>		
Set	<u>3</u>		
Set	<u>4</u>		

(Continued on reverse)

Date: 8/15/07 Signature of AUSA: Jeffrey J. Strand